

Readout of Congressional Briefing on National Security Impact of Semiconductor Supply Chain and Importance of Passing Bipartisan Innovation Act

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This afternoon, senior Administration officials including Commerce Secretary Raimondo, Deputy Defense Secretary Hicks, National Security Advisor Sullivan, and National Science Foundation Director Panchanathan held a briefing with a bipartisan and bicameral group of Members of Congress to discuss the urgent need to invest in made-in-America semiconductors as well as research and development that will protect our economic and national security.

During the briefing, the Administration officials underscored how decades of disinvestment in domestic semiconductor manufacturing capacity have left America producing only 12% of global semiconductor output and vulnerable to the sort of supply chain disruptions we've seen in recent years, like the pandemic and Russia's war of aggression against Ukraine. A significant interruption to our supply of semiconductors could cause historic damage to the U.S. economy – damage far greater than the impact of chips shortages on the American auto industry right now – and would undercut our technological competitiveness and military advantages over adversaries globally.

The House and Senate have each passed bills to make historic investments in research, domestic manufacturing and America's capacity to make semiconductors – including with \$52 billion in new funding authorized in the CHIPS Act. This support would help spur further private sector investments in America's semiconductor industry after nearly \$80 billion in new investments in President Biden's first year in office, including Intel's \$20 billion fabrication facility in Ohio.

These investments in semiconductors are crucial and must be complemented by investment in other advanced technologies as well, including the research and development leading to the next generation of these technologies, and related workforce development. These investments are critical to making our economy stronger and more resilient, and to protect our national security. That's why the Administration officials urged Congress to move quickly to get legislation to the President's desk for his signature, including through action to formally go to conference and name conferees this week.

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